



P.O. Box 014059 • Kansas City, MO 64101 • (816) 842-3757 • Fax (816) 842-6931

December 5, 2006

Chief, Standardization Branch
Livestock and Seed Program
AMS, USDA
Room 2603-s, Stop 0254
1400 Independence Avenue, SW.
Washington, DC 20250-0254

RE: Docket Number LS-02-02; Federal Register 02-32806, Proposed Minimum Requirements for livestock and meat industry marketing claims with respect to Breed Claims.

The American Hereford Association and its branded beef marketing arm, Certified Hereford Beef, LLC, maintains its position and endorses USDA's proposed position regarding breed claims written December 30, 2002.

The proposed marketing claim standard states the following:

"Minimum breed claim criteria shall be established by national breed associations. Since the National Pedigree Livestock Council (NPLC) is the only multi-species organization for livestock breed associations, AMS will refer to NPLC members as the designated national breed association. Breed associations that are not members of NPLC may petition AMS for the purpose of establishing a national breed claim program. If a national breed association does not have a minimum breed claim criteria, breed claims must be traceable to a parent registered with the national breed association."

The National Pedigree Livestock Council is an organization made up of fifty (50) US pedigreed livestock organizations representing multiple food and companion animal species. There are twenty-four (24) beef breed organization members. Requirements to belong to the NPLC are the breed organizations must be incorporated and operate as a membership organization. The organization must maintain a recognized registry for a separate breed of livestock with known ancestry with distinguishing characteristics. Until now, USDA has recognized the members of NPLC as the gatekeeper to defining the specification of such breeds and the commercial animal that make up product claims bearing the breeds name.

The question for today that must be addressed is who is the designated entity that is to determine the specification of a breed. To this point, the live animal specification for a breed claim has been determined by the breed association as written in the language above. The American Angus Association and USDA set precedence with breed claims in 1978. Since that time, upwards of fifty programs have evolved utilizing the same live animal specification for Angus. Since then, other breeds have developed live animal



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specifications for branded meat product claims including, Hereford, Berkshire, and Duroc.

Breed associations and their memberships have been the governing body for developing and maintaining breed specifications for over 125 years in the US with roots to origin in Europe dating back as far as three hundred years. In recent decades, many breeds have been imported into the United States, herd books have been opened, grade up programs have evolved, and various breed standards have been modified at the wishes of the respective membership. Breed specifications are at times arbitrary and capricious depending on the wishes of a membership. In fact, a breed can truly be defined as whatever a breed organization's membership chooses to define the breed at any given point in time. Commercial marketing programs have evolved through breed associations in an effort to drive demand for their member's seedstock by enhancing demand for the end product. The commercial animal specification has been developed and institutionalized by the respective breed association.

A serious concern arises when an entity other than a breed association, attempts to redefine the specification of a breed outside of the endorsement of the breed association. Two cases causing concern have come to the attention of the pedigreed livestock industry including the case of Premium Gold Angus's new DNA breed claim said to be endorsed by USDA, and a corporate Berkshire test. Allowing these types of claims to be instituted into new breed specific GL schedules without the consent of the respective breed association poses the following questions and concerns:

- 1) If genetic tests or new specifications were approved outside of the endorsement of the breed association, then it would set precedence for any company or competing breed association to develop a new specification and incorporate the generic breed name to the product.
- 2) Companies establishing additional breed claims outside of the recognized breed specification are really developing new product specifications, but are capitalizing on the brand equity of the breed name and its claim initially established by the breed association and its members.
- 3) Will USDA assume the liability and warranty associated with endorsing the breed claim established outside of breed endorsement, and how will governance of such specification be implemented?
- 4) If FSIS does not approve programs and only approves label use, then who is responsible for validating, auditing, and governing product claims initiated outside of AMS and a breed association?



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- 5) Genetic tests adopted to determine breed percentage outside of the recognized breed association specification may prove to include less percent of the breed than the breed association deems appropriate.
- 6) Creating new specifications outside of the breed association's endorsement only creates more confusion and unrest in the marketplace, and, thereby, additional distraction to consumer confidence.

The American Hereford Association endorses the following guidelines and statements with respect to breed claims:

- 1) No entity outside of the recognized breed association should be allowed to redefine the recognized specification of a breed from a live animal, pedigree, or a genetic standpoint. It is only the recognized breed association, incorporated in the United States, operating under bylaws and guidelines of its membership, and members of the National Pedigreed Livestock Council, that shall be able to determine the breed specification from a seedstock registry and commercial marketing standpoint.
- 2) The current breed claims have at this point not posed consumer concerns and, for the most part, the product labels for specific breed claims have met their most important objective of creating demand for the seedstock product of the respective breed association's membership through pull demand strategy.
- 3) To the extent that the current breed claims fail to deliver consumer confidence in the marketplace, then it should be up to the NPLC recognized breed association to endorse, at their choosing, modifications to the specification that will correct such confidence level.

In closing, we compliment USDA, AMS for attempting to bring agreement to this debate, and we are hopeful that the two agencies, AMS and FSIS, will establish common ground with regard to specification and label approval in the future.

Sincerely,

A handwritten signature in black ink that reads "Craig P. Huffhines".

Craig P. Huffhines
Executive Vice President
American Hereford Association